



February 2, 2010

Senate Rules Committee
305 Russell Senate Office Building
Washington, DC 20510

Dear Senator Schumer, Senator Bennett and Members of the Committee,

The issue that you are considering this morning during the Committee hearing, “Corporate America vs. The Voter: Examining the Supreme Court’s Decision to Allow Unlimited Corporate Spending in Elections,” is extraordinarily important to our political process and to the American public. In its decision in *Citizens United v. FEC*, the Supreme Court eviscerated common sense restrictions on corporate spending in elections, making an already untenable campaign financing system even worse.

Even before this decision, the unsustainable rise in the cost of running for office affects who can run and who politicians must turn to in order to raise enough campaign cash to remain competitive. Elected officials are forced to run to the open arms of well-heeled special interests, big money bundlers, and elite political donors in order to keep up with their competition. Today, we have a never-ending chase for the campaign dollar with officials spending more and more time raising money in order to pay for escalating campaign costs. Now faced with the threat of unregulated retaliation in the form of millions of dollars in independent expenditures, the fundraising pressure will only worsen.

This non-stop rise in the cost of political campaigns places Members of Congress in a constant state of fundraising. And they are also in an awkward position. Instead of being able to focus on the work their constituents elected them to do, elected officials are compelled to spend vast amounts of time dialing for dollars and shaking hands in pursuit of the cash they need to retain their seat, lending an ear to the interests who can give the maximum contributions allowable under current law.

Who are these people writing these checks? They are a micro demographic within the 300,000,000 people who live in this country. The average American can’t afford to give a candidate 4,800 dollars—the maximum allowed for an individual - 2,400 for the primary and 2,400 for the general election. According to the Center for Responsive Politics, less than one-half of one percent of the American public donated \$200 or more to federal candidates or political action committees in 2008.

In this political system of bundlers, where many lobbyists and others who give money expect favors in return, how do we level the political playing field? How do we shut down the money chase and allow our legislators to spend their time pursuing their constituents' interests? How do we turn the current incentive system upside down and drive elected officials and candidates to the voters they want to serve instead of towards the big check writers at the next fundraiser? And how do we blunt the impact of the Supreme Court decision on our political process?

Fortunately there is a common sense answer that will refocus elections on voters and volunteers instead of campaign cash and political bundlers and provide candidates for Congress the support they'll need to respond to an influx of spending due to the recent Supreme Court decision. Sponsored by Senator Dick Durbin (D-Ill.) and Representatives John Larson (D-Conn.) and Walter Jones (R-N.C.), the Fair Elections Now Act (S 752 and HR 1826) puts everyone in our country on an equal footing and provides candidates for Congress a way to run without joining in the campaign money chase.

Under Fair Elections, Senatorial candidates would qualify for Fair Elections funds by crossing two thresholds: (1) gathering 2,000 in-state contributions between \$5 and \$100 plus an additional 500 for each congressional district in the state and (2) raising 10 percent of the grant amount that the candidate would receive for the primary should the candidate be certified for Fair Elections. In New York, for example, a candidate would need to collect 16,500 in-state contributions between \$5 and \$100 for a minimum of \$510,000 to qualify for the funding. Once qualified, candidates receive a primary grant, which is 67 percent of the general election grant. Candidates also receive a 4:1 match for each dollar raised from in-state donors in each election (primary, general, or runoff), subject to a cap equal to 200 percent of the grant for that election. Candidates are also able to raise money out of state, but only in-state contributions are eligible for the 4:1 match up to the cap.

The system is constitutional within the *Buckley v. Valeo* framework. It expands political speech, ensuring that those without access to wealth can speak with a forceful voice during the campaign season.

The cost of Fair Elections is relatively small—about one thirtieth of one percent of the federal budget. In fact, there were nearly \$20 billion in earmarks in 2009 while Fair Elections would cost us less than one billion dollars.

It may seem counterintuitive for an incumbent to support a bill like this. After all, each Member of Congress won their election using the current system, many on repeated occasions. Yet I know that many Members are deeply troubled by the current unbounded private financing set-up and a good number also find campaign fundraising their least favorite part of being an elected official.

Clean Elections, as it is known at the state level, has changed the faces of democracy where it has been implemented. It opens up the possibility of running for office and

winning to a more broadly diverse range of candidates. In Maine, for example, Deborah Simpson, a low wage worker, single mom, and grassroots civic activist is now a member of the state legislature, where she pays particular attention to policies that affect children living in poverty. She credits the Clean Elections system as her successful entry ticket into the political arena.

To date, publicly financed elections are the law for at least some offices in a handful of states—Arizona, Connecticut, New Mexico, North Carolina, and Maine—and three cities—Albuquerque, New Mexico, Chapel Hill, North Carolina, and Portland, Oregon. Hundreds and hundreds of candidates have run successfully using the system. In Maine, 84 percent of statehouse seats are occupied by publicly financed elected officials. And in Arizona, eight out of the current 10 statewide elected officials were elected under a public financing system. Homeland Security Secretary Janet Napolitano used the system twice for her successful gubernatorial bids.

The public is strongly behind the idea of this alternative. In February 2009, Public Campaign and other campaign reform organizations commissioned Lake Research Partners, a Democratic firm, and The Tarrance Group, a Republican firm, to do a nationwide poll on publicly financed elections. They found that 67 percent of voters support a proposal for voluntary public funding of federal elections. Support for public financing of Congressional elections cuts across party lines. Sixty nine percent of Democrats, 66 percent of Independents, and almost two-thirds of Republicans support this reform. There is strong support across gender lines, age groups, and geographic regions.

Why do people like this idea? This same polling found that four out of five voters believe that large contributions prevent Congress from tackling our nation's challenges. That lack of faith in our political system hasn't gotten any better. According to a national survey conducted by the University of Texas in November, nearly 60 percent of voters believe that the source of a candidate's campaign contributions are a factor in how they vote. Survey respondents rank themselves last as a consideration when Congressional lawmakers vote.

Voters are disillusioned by the current political process and I think that is why we've seen tremendous growth in support for publicly financed elections. Outside Congress, it's not just the good government and reform-oriented groups, like Americans for Campaign Reform, the Brennan Center for Justice. Change Congress, Common Cause, Democracy Matters, Democracy 21, Public Citizen, and USPIRG, that have taken up the cause of the Fair Elections Now Act. At the bill's introduction, some of the most established and respected organizations in our country, representing tens of millions of Americans also supported this measure, including AFSCME, NAACP, SEIU, the Sierra Club, the Dolores Huerta Foundation, and the League of Women Voters. And there are business leaders on board as well; people like former Seagrams CEO Edgar Bronfman, New Yorker Alan Patricof, often referred to as the "father" of venture capitalism, former Stride Rite CEO Arnold Hiatt, and former Nixon administration official and founder of the Blackstone Group, Pete Peterson.

It is possible to change politics for the better. And we must do to it together. Working alongside each other we can leave behind the unsustainable money chase and its negative side effects. The Supreme Court didn't create the perception of undue influence in our political process, but it made the situation worse. As Justice John Paul Stevens wrote in his dissent, the "Court's opinion is thus a rejection of the common sense of the American people, who have recognized a need to prevent corporations from undermining self-government since the founding, and who have fought against the distinctive corrupting potential of corporate electioneering since the days of Theodore Roosevelt."

Just last week, after the *Citizens United v FEC* decision was handed down by the Supreme Court, an NBC/Wall Street Journal poll found that 84 percent of Americans were concerned about the influence of special interests in Washington, D.C. Congress must respond forcefully to this decision and ensure voters that they are in charge of our elections, not deep-pocketed special interests. The need to change the system has never been greater, and the stakes have never been higher.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Nyhart". The signature is fluid and cursive, with the first name "Nick" and last name "Nyhart" clearly distinguishable.

Nick Nyhart
President and CEO
Public Campaign